CHAPTER NO. 879

HOUSE BILL NO. 2853

By Representatives Winningham, Brown

Substituted for: Senate Bill No. 2987

By Senator Burks

AN ACT to amend Tennessee Code Annotated, Section 49-7-107, to require foundations for state colleges and universities to adopt a code of ethics and to provide for remedies of violations of such code.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-7-107, is amended by adding new subsections as follows:

(c) Any foundation created pursuant to this section shall establish and adopt a code of ethics that shall apply to and govern the conduct of all members of the foundation board.

(d)

- (1) Notwithstanding any other provision in the law to the contrary, by a two-thirds (2/3) vote of its membership, the foundation board may remove any appointed member of the foundation board for a material violation of the code of ethics.
- (2) A foundation board vote to remove a member shall only be taken after the accused member has been afforded a due process contested case hearing in accordance with the Tennessee Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5, and a finding has been made that the member did violate the foundation's code of ethics.
- (3) If a member is removed in accordance with this section, such position shall be considered vacant and the vacancy shall be filled as provided by the foundation's by-laws.

SECTION 2. This act shall take effect January 1, 2005, the public welfare requiring it.

PASSED: May 21, 2004

JIMMY NAIFEH, SPEAKER HOUSE OF REPRESENTATIVES

> JOHN S. WILDER SPEAKER OF THE SENATE

APPROVED this 8th day of June 2004

PHIL BREDESEN GOVERNOR